

Chairman Linda W. Cropp


Councilmember Jack Evans

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

Chairman Linda W. Cropp and Councilmember Jack Evans, introduced the following bill, which
was referred to the Committee on _____

To change the name of the Office of Budget and Management to the Office of Budget and Planning, to change the name of the Department of Finance and Revenue to the Office of Tax and Revenue, to change the name of the Office of Treasurer to the Office of Finance and Treasury, to consolidate the Office of the Controller and the Office of Financial Information Services into the Office of Financial Operations and Systems; to authorize the Chief Financial Officer to appoint all Deputy Chief Financial Officers, to authorize the Mayor to appoint the Chief Financial Officer with the advice and consent of the Council, to establish a four-year term for the Chief Financial Officer beginning with July 1, 2002, to provide that the Chief Financial Officer may be removed for cause with the approval of 2/3rds of the Members of the Council present and voting, to authorize the Chief Financial Officer to promulgate financial management performance standards for all executive branch agency chief financial officers, to give the Chief Financial Officer power to discharge any executive branch agency chief financial officer who does not meet the financial management performance standards, to require agency heads to appoint agency chief financial officers from a list developed by the Chief Financial Officer, to require the Chief Financial Officer to prepare fiscal impact statements for all legislation that the Mayor submits to the Council; and to require the Chief Financial Officer to submit his analysis and certification of funds for all collective bargaining agreements and nonunion pay increases.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
act may be cited as the "Independence of the Chief Financial Officer Establishment Act of 2001".

Sec. 2. Establishment of the Office of the Chief Financial Officer.

(a) There is hereby established within the executive branch of the government of the District of Columbia an Office of the Chief Financial Officer of the District of Columbia ("Office"), which shall be headed by the Chief Financial Officer of the District of Columbia ("Chief Financial Officer").

(b) The Office shall include the Office of Finance and Treasury, which shall be headed by the Treasurer of the District of Columbia, who shall be appointed by the Chief Financial Officer and subject to the Chief Financial Officer's direction and control.

(c) The name of the Office of Budget and Management is changed to the Office of Budget and Planning. The name of the Department of Finance and Revenue is changed to the Office of Tax and Revenue. The name of the Office of Treasurer is changed to the Office of Finance and Treasury. The Office of the Controller and the Office of Financial Information Services is consolidated into the Office of Financial Operations and Systems.

(d) Effective with the appointment of the first Chief Financial Officer under section 4, the functions and personnel of the following subordinate offices are transferred to the Office:

(1) The Office of Budget and Planning, headed by the Deputy Chief Financial Officer for the Office of Budget and Planning;

(2) The Office of Tax and Revenue, headed by the Deputy Chief Financial Officer for the Office of Tax and Revenue;

(3) The Office of Research and Analysis, headed by the Deputy Chief Financial

Officer for the Office of Research and Analysis; and

(4) The Office of Financial Operations and Systems, headed by the Deputy Chief Financial Officer for the Office of Financial Operations and Systems.

Sec. 3. Appointment and removal of Office employees.

The Chief Financial Officer shall appoint the heads of the subordinate offices designated in section 2(d), after consultation with the Mayor and the Council. The Chief Financial Officer may remove the heads of the offices designated in section 2(d), after consultation with the Mayor and the Council.

Sec. 4. Appointment of the Chief Financial Officer.

(a) The Chief Financial Officer shall be appointed by the Mayor with the advice and consent by resolution of the Members of the Council.

(b) The term of office of the Chief Financial Officer shall be 4 years. The term of the Chief Financial Officer first appointed pursuant to subsection (a) of this section shall begin on July 1, 2003, which shall become the anniversary date for all subsequent appointments. Thereafter, any successor shall be appointed for a term of 4 years, or for the balance of any unexpired term. Any Chief Financial Officer may continue to serve beyond his term until a successor takes office.

(c) Any vacancy in the Office of Chief Financial Officer shall be filled in the same manner as the original appointment under subsection (a) of this section.

(d) The Chief Financial Officer shall be paid at an annual rate determined by the Mayor, except that such rate may not exceed the rate of basic pay payable for level IV of the Executive Schedule.

Sec. 5. Removal of the Chief Financial Officer.

The Chief Financial Officer may only be removed for cause by the Mayor and approval of the removal by resolution approved by two-thirds of the Members of the Council present and voting.

Sec. 6. Duties of the Chief Financial Officer.

The Chief Financial Officer shall have the following duties:

- (1) Preparing the financial plan and the budget for the use of the Mayor for purposes of subpart B of subchapter VII of Chapter 3 of Title 47 of the D.C. Code;
- (2) Preparing the budgets of the District of Columbia for the year for the use of the Mayor for purposes of §§ 47-101, 47-301 to 47-305, § 445, Title 11, appendix, §§ 43-1691, 47-310, 47-312, 47-130, 1-1130, 31-104, 47-304.1, 47-117, and 47-231 to 47-235;
- (3) Assuring that all financial information presented by the Mayor is presented in a manner, and is otherwise consistent with, the requirements of the District of Columbia Financial Responsibility and Management Assistance Act of 1995;
- (4) Implementing appropriate procedures and instituting such programs, systems, and personnel policies within the Officer's authority, to ensure that budget, accounting and personnel control systems and structures are synchronized for budgeting and control purposes on a continuing basis;
- (5) Preparing and submitting to the Mayor and the Council:
 - (A) Annual estimates of all revenues of the District of Columbia (without regard to the source of such revenues), including proposed revenues, which shall be binding on the Mayor and the Council for purposes of preparing and submitting the budget of the District

government for the year under §§ 47-101, 47-301 to 47-305, § 445, Title 11, appendix, §§
43-1691, 47-310, 47-312, 47-130, 1-1130, 31-104, 47-304.1, 47-117, and 47-231 to 47-235,
except that the Mayor and the Council may prepare the budget based on estimates of revenues
which are lower than those prepared by the Chief Financial Officer; and

(B) Quarterly re-estimates of the revenues of the District of Columbia
during the year;

(6) Supervising and assuming responsibility for financial transactions to ensure
adequate control of revenues and resources, and to ensure that appropriations are not exceeded;

(7) Maintaining systems of accounting and internal control designed to provide:

(A) Full disclosure of the financial impact of the activities of the District
government;

(B) Adequate financial information needed by the District government for
management purposes;

(C) Effective control over, and accountability for, all funds, property, and
other assets of the District of Columbia; and

(D) Reliable accounting results to serve as the basis for preparing and
supporting agency budget requests and controlling the execution of the budget;

(8) Submitting to the Council a financial statement of the District government,
containing such details and at such times as the Council may specify;

(9) Supervising and assuming responsibility for the assessment of all property
subject to assessment and special assessments within the corporate limits of the District of
Columbia for taxation, preparing tax maps, and providing such notice of taxes and special

assessments (as may be required by law);

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(10) Supervising and assuming responsibility for the levying and collection of all taxes, special assessments, licensing fees, and other revenues of the District of Columbia (as may be required by law), and receiving all amounts paid to the District of Columbia from any source (including the Authority);

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(11) Maintaining custody of all public funds belonging to or under the control of the District government (or any department or agency of the District government), and depositing all amounts paid in such depositories and under such terms and conditions as may be designated by the Council;

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(12) Maintaining custody of all investment and invested funds of the District government or in possession of the District government in a fiduciary capacity, and maintaining the safekeeping of all bonds and notes of the District government and the receipt and delivery of District government bonds and notes for transfer, registration, or exchange;

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(13) Apportioning the total of all appropriations and funds made available during the year for obligation so as to prevent obligation or expenditure in a manner which would result in a deficiency or a need for supplemental appropriations during the year, and (with respect to appropriations and funds available for an indefinite period and all authorizations to create obligations by contract in advance of appropriations) apportioning the total of such appropriations, funds, or authorizations in the most effective and economical manner;

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(14) Certifying all contracts and leases (whether directly or through delegation) prior to execution as to the availability of funds to meet the obligations expected to be incurred by the District government under such contracts and leases during the year;

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(15) Prescribing the forms of receipts, vouchers, bills, and claims to be used by
all agencies, offices, and instrumentalities of the District government;

(16) Certifying and approving prior to payment all bills, invoices, payrolls, and
other evidences of claims, demands, or charges against the District government, and determining
the regularity, legality, and correctness of such bills, invoices, payrolls, claims, demands, or
charges;

(17) In coordination with the Inspector General of the District of Columbia,
performing internal audits of accounts and operations and records of the District government,
including the examination of any accounts or records of financial transactions, giving due
consideration to the effectiveness of accounting systems, internal control, and related
administrative practices of the departments and agencies of the District government;

(18) Exercising responsibility for the administration and supervision of the
District of Columbia Treasurer (except that the Chief Financial Officer may delegate any portion
of such responsibility as the Chief Financial Officer considers appropriate and consistent with
efficiency);

(19) Administering all borrowing programs of the District government for the
issuance of long-term and short-term indebtedness;

(20) Administering the cash management program of the District government,
including the investment of surplus funds in governmental and non-governmental interest-
bearing securities and accounts;

(21) Administering the centralized District government payroll and retirement
systems;

- (22) Governing the accounting policies and systems applicable to the District government; 1 2
- (23) Preparing appropriate annual, quarterly, and monthly financial reports of the accounting and financial operations of the District government; 3 4
- (24) Not later than 120 days after the end of each fiscal year, preparing the complete financial statement and report on the activities of the District government for such fiscal year, for the use of the Mayor under § 47-310(a)(4); 5 6 7
- (25) Preparing fiscal impact statements on legislation, regulations, multiyear contracts and contracts over \$1 million, in a form required by the Council, which shall be transmitted to the Council by the Mayor or independent agency for introduction and other fiscal impact statements at such times as the Council directs; 8 9 10 11
- (26) Preparing under the direction of the Mayor, who has the specific responsibility for formulating budget policy using CFO technical and human resources, the budget for submission by the Mayor to the Council and upon final adoption to the Congress; and 12 13 14
- (27) Certifying all collective bargaining agreements and nonunion pay proposals prior to submission to the Council for approval as to the availability of funds to meet the obligations expected to be incurred by the District government under such collective bargaining agreements and nonunion pay proposals during the year. 15 16 17 18
- Sec. 7. Appointment of certain executive branch agency chief financial officers. 19
- (a) The chief financial officers of all District of Columbia executive branch subordinate and independent agencies not included in section 2(d) shall be appointed by the individual agency head. The appointments shall be made from a list of qualified candidates developed by 20 21 22

the Chief Financial Officer.

(b) The agency chief financial officers shall be paid at an annual rate determined by the agency head, in consultation with the Chief Financial Officer.

(c) The agency head shall measure the performance of an agency chief financial officer with respect to support for the agency mission operations. The Chief Financial Officer shall measure the performance of agency chief financial officers with respect to knowledge and application of financial management standards.

(d) The Chief Financial Officer shall promulgate regulations containing the financial management performance standards for agency chief financial officers that shall address the type of expertise such officers shall have of the financial management systems and require that agency chief financial officers be members of the Council of Chief Financial Officers and other professional accreditation or membership organizations.

(e) Failure to meet the financial management performance standards, within the 12-month period of the notice of the final adoption of the standards promulgated pursuant to subsection (c) of this section, may be cause for removal of an agency chief financial officer.

Sec. 8. Removal of certain executive branch agency chief financial officers.

An agency chief financial officer may be subject to disciplinary action for cause as required by section 1651 of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective June 10, 1998 (D.C. Law 12-124; D.C. Code § 1-617.51), by the Chief Financial Officer, in consultation with the agency head, or by the agency head with the approval of the Chief Financial Officer.

Sec. 9. Functions of Treasurer.

At all times, the Treasurer shall have the following duties:

(1) Assisting the Chief Financial Officer in reporting revenues received by the District government, including submitting annual and quarterly reports concerning the cash position of the District government not later than 60 days after the last day of the quarter (or year) involved. Such reports shall include:

(A) Comparative reports of revenue and other receipts by source, including tax, nontax, and Federal revenues, grants and reimbursements, capital program loans, and advances. Each source shall be broken down into specific components;

(B) Statements of the cash flow of the District government for the preceding quarter or year, including receipts, disbursements, net changes in cash inclusive of the beginning balance, cash and investment, and the ending balance, inclusive of cash and investment. Such statements shall reflect the actual, planned, better or worse dollar amounts and the percentage change with respect to the current quarter, year-to-date, and fiscal year;

(C) Quarterly cash flow forecast for the quarter or year involved, reflecting receipts, disbursements, net change in cash inclusive of the beginning balance, cash and investment, and the ending balance, inclusive of cash and investment with respect to the actual dollar amounts for the quarter or year, and projected dollar amounts for each of the 3 succeeding quarters;

(D) Monthly reports reflecting a detailed summary analysis of all District of Columbia government investments, including, but not limited to:

(i) The total of long-term and short-term investments;

(ii) A detailed summary analysis of investments by type and

amount, including purchases, sales (maturities), and interest;	1
(iii) An analysis of investment portfolio mix by type and amount,	2
including liquidity, quality/risk of each security, and similar information;	3
(iv) An analysis of investment strategy, including near-term	4
strategic plans and projects of investment activity, as well as forecasts of future investment	5
strategies based on anticipated market conditions, and similar information; and	6
(v) An analysis of cash utilization, including:	7
(I) Comparisons of budgeted percentages of total cash to	8
be invested with actual percentages of cash invested and the dollar amounts;	9
(II) Comparisons of the next return on invested cash	10
expressed in percentages (yield) with comparable market indicators and established District of	11
Columbia government yield objectives; and	12
(III) Comparisons of estimated dollar return against actual	13
dollar yield; and	14
(E) Monthly reports reflecting a detailed summary analysis of long-term	15
and short-term borrowings inclusive of debt as authorized by § 47-313, in the current fiscal year	16
and the amount of debt for each succeeding fiscal year not to exceed 5 years; all such reports	17
shall reflect:	18
(i) The amount of debt outstanding by type of instrument;	19
(ii) The amount of authorized and un-issued debt, including	20
availability of short-term lines of credit, United States Treasury borrowings, and similar	21
information;	22

(iii) A maturity schedule of the debt;	1
(iv) The rate of interest payable upon the debt; and	2
(v) The amount of debt service requirements and related debt	3
service reserves; and	4
(2) Such other functions assigned to the Chief Financial Officer under § 47-317.3	5
as the Chief Financial Officer may delegate.	6
Sec. 10. Authorization to privatize tax administration and collection.	7
The Chief Financial Officer of the District of Columbia may enter into contracts with a	8
private entity for the administration and collection of taxes of the District of Columbia.	9
Sec. 11. Transition provisions.	10
(a) Any Chief Financial Officer appointed by the Mayor prior to the effective date of this	11
act may continue to serve until July 1, 2003, or until a new appointment under section 4(a)	12
becomes effective, whichever occurs later.	13
(b) Any executive branch agency chief financial officer appointed prior to the effective	14
date of this act may continue to serve at the pleasure of the Chief Financial Officer.	15
(c) Notwithstanding any other law, all District of Columbia accounting, budget, and	16
financial management personnel, not included in section 2(d), shall only be subject to	17
disciplinary action for cause as required by section 1651 of the District of Columbia Government	18
Comprehensive Merit Personnel Act of 1978, effective June 10, 1998 (D.C. Law 12-124; D.C.	19
Code § 1-617.51).	20
Sec. 12. Fiscal impact statement.	21
The Council adopts the fiscal impact statement in the committee report as the fiscal	22

impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act,
approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(3)).

Sec. 13. Effective date.

This act shall take effect on the later of: (1) completion of a 30-day period of
Congressional review, as provided in section 602(c)(1) of the District of Columbia Home Rule
Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(1)), following approval
by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto),
approval by the Financial Responsibility and Management Assistance Authority as provided in
section 203(a) of the District of Columbia Financial Responsibility and Management Assistance
Act of 1995, approved April 17, 1995 (109 Stat. 116; D.C. Code § 47-392.3(a)), and publication
in the District of Columbia Register; or (2) enactment by Congress of a repeal of section 424 of
the District of Columbia Home Rule Act.